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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 31-84

August 1, 1984

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

OILSEEDS AND PRODUCTS

CHILE's Agricultural Ministry increased the minimum and maximum prices for imported vegetable oil by 20 percent for the year beginning November 1 to encourage domestic oilseed production. Officials hope that domestic production will cover about 50 percent of domestic vegetable oil requirements, with a corresponding drop in imports. Chile imported 118,000 tons of vegetable oils in 1983, accounting for about 95 percent of consumption.

On July 16, the ARGENTINE Oilseed Crushers Association, fearing short supplies despite record production, formally requested national authorities to close export registrations on soybeans. Soybean exporters and farm associations immediately opposed the request, believing it would seriously damage producers already affected by the fall of prices in June and July. As a temporary measure, the index price for soybeans was raised on July 19 by \$25 per ton to \$290. This is expected to sharply curtail exports as the index price is believed to be currently above the U.S. Gulf price.

An advisory oilseed commission has been formed of representatives from the government, the crushers' association, the exporters' association and farm organizations. The government reportedly continues to favor the export of the value-added soybean meal and oil rather than soybeans. However, as part of its efforts to hold down inflation by keeping an adequate domestic supply of vegetable oils, the government does not appear willing to reduce the export tax on soybean oil.

DAIRY, LIVESTOCK AND POULTRY

SPANISH meat production in 1983 was down about 33,000 tons to 2.5 million tons because of drought conditions and high feed prices. This was the first drop in meat production since 1975, according to the U.S. agricultural counselor in Madrid. Improved pasture conditions and larger grain crops expected in 1984 are expected to increase meat production by 85,000 tons this year and a further 40,000 tons in 1985.

Milk production increased only 2 percent during 1983, but production in 1984 is projected to be up nearly 4 percent and a further 3 percent increase is expected next year as the dairy herd is able to take full advantage of increased feed supplies from an improved 1984 coarse grain harvest.

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Meat and Milk Production in Spain

	1982	1983	1984 1/	1985 1/
	-----1,000 Tons-----			
Pork	1,115	1,119	1,200	1,203
Beef	420	422	415	420
Sheep and goat	141	142	141	141
Poultry	853	813	825	830
Total	2,529	2,496	2,581	2,621
Milk	5,947	6,070	6,300	6,500

1/ Forecast.

ALGERIA has tendered for 50,000 tons of eggs for 1984 delivery, despite a drive for self-sufficiency in egg production. Imports are growing due to population growth that outstrips growth in egg production in the world's largest market for shell eggs. Imports in 1983 totaled 66,989 tons (approximately 1.4 billion eggs), up 9 percent over 1982 imports--more than double domestic production. U.S. eggs cannot enter the Algerian market due to the eight-day age restriction on shell eggs.

NEW ZEALAND purchased 6,000 tons of surplus skim milk powder from South Africa for re-export earlier this year to assure that this skim milk powder would not be sold in a manner interfering with New Zealand exports. From this contract, 2,000 tons were sold to an Australian company with the understanding that the firm would sell it to Japan as stock feed. However, 500 tons of this amount reportedly were diverted to Bangladesh under a West German label and another 1,000 tons possibly are bound for the same destination. New Zealand cancelled the contract with Australia and now has control of the remaining 500 tons in South Africa. The balance of 4,000 tons was exported to Taiwan for use as stock feed.

In the UNITED KINGDOM, the British Minister of Agriculture announced that the current slaughter policy against Newcastle Disease in the UK will end September 28. Vaccination against the disease, which was stopped in 1981, was reauthorized July 16. The Minister also said that it will be necessary to change the existing import restrictions once sufficient time has elapsed to permit an adequate level of disease protection for the national flock. The United States has been unable to export poultry to the UK since 1981. Hopefully this change will enable the United States to re-establish a market for poultry, which had reached \$16 million before the non-vaccination policy restricted U.S. exports.

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The JAPANESE Livestock Industry Promotion Corporation announced the results of its July 18 tender for 10,000 tons of grain-fed, processing and other beef. Of the grain-fed beef portion, only 3,807 tons were purchased out of the scheduled purchase of 3,950 tons; scheduled purchase amounts were not met due to high bid prices. The United States will supply all grain-fed beef except for 62 tons from Australia. Japan also purchased 6,142 tons of non-grain-fed beef, which was 92 tons over the amount tendered.

The AUSTRALIAN dollar has continued to soften relative to the U.S. dollar in recent months. This decrease in the value (from 0.930 to 0.845) of the Australian dollar has offset the price decline (20 cents U.S.) of Australian beef (chilled and frozen) in the United States. The drop in the exchange rate has reportedly meant an increase in value of Australian exports to the United States of A\$20 million. Since beef exports to Japan and other Pacific markets also are priced in U.S. currency, the Australians have further benefited from the exchange rate.

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Selected International Prices

Item	:	July 31, 1984	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.9/		189.00	5.14	-.50		203.00
U.S. No. 2 DNS/NS: 14%....		178.00	4.84	0		183.00
U.S. No. 2 S.R.W.9/		153.50	4.18	+1.50		164.00
U.S. No. 3 H.A.D.....9/		184.00	5.01	+2.00		201.00
Canadian No. 1 A: Durum.9/		192.00	5.23	+1.00		209.00
Feed grains:						
U.S. No. 3 Yellow Corn....		147.50	3.75	-5.00		162.00
Soybeans and meal:						
U.S. No. 2 Yellow.....		250.00	6.80	-19.50		290.00
Brazil 47/48% SoyaPellets		172.00	--	-15.00		248.00
U.S. 44% Soybean Meal..10/		177.00	--	-16.00		243.00
U.S. FARM PRICES 3/						
Wheat.....		118.30	3.22	-.73		122.71
Barley.....		77.16	1.68	-1.84		79.46
Corn.....		121.26	3.08	-6.30		127.95
Sorghum.....		102.95	4.67	-5.73		112.66
Broilers 4/.....		1169.54	--	-25.35		1195.78
EC IMPORT LEVIES						
Wheat 5/.....		80.15	2.18	+.70		72.85
Barley.....		73.15	1.59	-.30		75.20
Corn.....		52.00	1.32	+4.00		44.10
Sorghum.....		71.45	1.81	-4.55		66.60
Broilers 4/ 6/ 8/.....		157.00	--	-2.00		273.00
EC INTERVENTION PRICES 7/						
Common wheat(feed quality)		141.35	3.85	-1.75		157.85
Bread wheat (min. quality)7/		151.25	4.12	-1.90		174.25
Barley and all						
other feed grains.....		141.35	--	-1.75		157.85
Broilers 4/ 6/.....		1133.00	--	-4.00		1133.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		10.80	.30	+.25		19.05
Barley.....		N.A.	--	--		38.10
Broilers 4/ 6/ 8/.....		101.00	--	-1.00		196.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/ September shipment. 10/ October shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis August delivery.